

NEBRASKA HOSPITAL ACUTE BED OCCUPANCY (EXCLUDES PSYCHIATRIC CARE)  
 IOD: Jan-Dec 1991  
 SOURCE: NEBRASKA DEPARTMENT OF HEALTH

Attachment A  
 Page 2 of 3

Hospital	City	Occupancy %	
		Reported	Licensed
St Mary's	Nebraska City	14.9	14.9
Antelope Mem Hosp	Neligh	19.1	19.1
Lady of Lourdes	Norfolk	22.9	22.9
Lutheran Comm Hosp	Norfolk	38.7	39.0
Great Plains	North Platte	43.0	36.4
Oakland Mem Hosp	Oakland	16.0	16.0
Ogallala Comm Hosp	Ogallala	16.3	16.3
St Anthony's	O'Neill	26.0	17.1
Valley Co Hosp	Ord	9.2	9.2
Annie Jeffrey Mem	Osceola	28.9	28.9
Garden Co Hosp	Oshkosh	13.7	13.7
Osmond Gen Hosp	Osmond	13.2	10.7
Midlands Comm	Papillion	33.8	26.1
Pawnee Co Mem	Pawnee City	14.8	12.0
Pender Comm Hosp	Pender	12.3	12.3
Plainview Pub Hosp	Plainview	13.5	13.5
Webster Co Comm Hosp	Red Cloud	11.2	10.5
Sargent Dist Hosp	Sargent	28.2	28.2
Schuyler Mem Hosp	Schuyler	38.4	38.4
St Nebr Gen	Scottsbluff	56.7	46.1
ard Mem Hosp	Seward	17.3	17.3
Sidney Mem Hosp	Sidney	26.8	18.5
Howard Co Comm Hosp	St Paul	12.8	12.8
Brodstone Mem	Superior	14.9	14.9
Syracuse Comm Mem Hos	Syracuse	11.0	12.2
Johnson Co Hosp	Tecumseh	23.6	23.6
Tilden Comm Hosp	Tilden	7.1	7.1
Cherry Co Hosp	Valentine	9.4	9.4
Saunders Co Comm	Wahoo	8.2	8.2
Wayne Providence Med	Wayne	28.6	27.7
St Francis Mem	West Point	17.9	17.9
York Gen Hosp	York	22.7	22.7
Average Occupancy		20.6	19.9

NEBRASKA HOSPITAL ACUTE BED OCCUPANCY (EXCLUDES PSYCHIATRIC CARE)

IOD: Jan-Dec 1991

SOURCE: NEBRASKA DEPARTMENT OF HEALTH

Attachment A

Page 3 of 3

Hospital	City	Occupancy %	
		Reported	Licensed
Bryan Mem Hosp	Lincoln	70.3	60.7
Lincoln General Hosp	Lincoln	62.3	45.8
St Elizabeth	Lincoln	48.6	48.6
Archbishop Bergen	Omaha	43.3	43.3
Clarkson Mem Hosp	Omaha	64.3	32.8
Boys Town Institute	Omaha	33.9	25.4
Children's Mem Hosp	Omaha	64.2	64.2
Immanuel Med Ctr	Omaha	56.3	51.2
Nebraska Methodist	Omaha	37.4	37.4
St Joseph Hosp	Omaha	63.4	47.0
UNMC	Omaha	74.8	50.4
Veterans Med Ctr	Omaha	80.3	80.8
Average Occupancy		58.3	49.0

# MEDICARE UPPER LIMIT TEST

## ATTACHMENT B

### CALCULATION OF XIX OPERATING RATES\*

HOSPITAL	XIX DAYS	Operating COST/DAY	Capital COST/DAY	Total COST/DAY	XIX Reimbursement per day	XIX Discharges	XIX Operating Reimbursement at 95% of cost
Bryan Memorial Lincoln	3,332	\$ 954.33	\$ 88.40	\$1,042.73	\$ 990.59	658	\$3,020,836.18
Lincoln General Lincoln	5,957	712.82	73.75	786.57	747.24	1,344	4,033,955.30
St. Elizabeth Lincoln	4,649	1,045.39	104.38	1,149.77	1,092.22	835	4,617,017.20
Immanuel, Inc. Omaha	8,402	581.77	55.69	637.46	605.59	843	4,643,629.96
Bishop Clarkson Omaha	2,651	1,123.31	111.13	1,234.44	1,172.72	526	2,829,000.07
Bergan Mercy Omaha	4,544	874.29	67.69	941.98	894.88	1,099	3,774,135.07
NE Methodist Omaha	1,983	1,029.28	79.29	1,108.57	1,053.14	496	1,939,009.13
Univ. of NE Omaha	12,484	1,261.80	66.26	1,328.06	1,261.66	2,441	14,964,695.64
St. Joseph Omaha	12,174	1,155.81	146.94	1,302.75	1,237.61	2,091	13,367,289.39
Totals						10,333	\$53,189,567.94
Average Medicaid operating payment per discharge							\$ 5,147.54

### Calculation of XVIII operating rates projected to FY 94

	Case Mix	Operating Reimbursement Per Discharge	Total Operating Reimbursement
Bryan Memorial Lincoln	1.8260	\$6,357.95	\$4,183,531.10
Lincoln General Lincoln	1.4500	5,048.76	6,785,533.44
St. Elizabeth Lincoln	1.4323	4,987.13	4,164,253.55
Immanuel, Inc. Omaha	1.4435	5,026.12	4,237,019.16
Bishop Clarkson Omaha	1.6300	5,675.50	2,985,313.00
Bergan Mercy Omaha	1.4590	5,080.09	5,583,018.91
NE Methodist Omaha	1.5666	5,454.74	2,705,551.04
Univ. of NE Omaha	1.9172	6,675.50	16,294,895.50
St. Joseph Omaha	1.7771	6,187.88	12,938,857.08
TOTALS			\$59,877,972.78
Average medicare operating pmt. per discharge			\$5,794.83

Calculation of Urban Nebraska PPS Rate:  
10/1/92 to 9/30/93  
Nat'l Labor \$ 2,547.40  
NE Wage Index 0.8985  
2,288.84  
Nat'l non-labor related amt. 1,049.51  
3,338.35  
EMI 4.30%  
Total \$ 3,481.90

Ave. operating pmt. per discharge: XIX \$ 5,147.54  
Ave. operating pmt. per discharge: XVIII \$ 5,794.83

\*Using 1992 cost reports, inflated by two times the EMI (as per payment plan)  
\*\*1991 XVIII case mix as published in the 9/1/92 Federal Register.  
\*\*\*Nebraska PPS rate times the facility-specific case mix.

# STATE OF NEBRASKA

## DEPARTMENT OF SOCIAL SERVICES

by Dean Harvey  
for

HHS  
HCFA-MEDICAID  
REGION VII

93 JUL 19 PM 1:49



E. Benjamin Nelson  
Governor

July 13, 1993

Richard P. Brummel  
Associate Regional Administrator for Medicaid  
Federal Office Building, Room 227  
601 East 12th Street  
Kansas City, MO 64106

RE: State Plan Amendment MS-92-14

Dear Mr. Brummel:

This letter is the State's response to your letter of December 23, 1992, regarding Nebraska's proposed Medicaid Plan Amendment MS-92-14 on disproportionate share payments.

You have asked the Department to submit the amount of the estimated average proposed payment rate for each type of provider and the amount by which that estimated average rate increased or decreased relative to the average payment rate in effect for each type of provider for the immediately preceding rate period. The following is that rate information averaged over all providers prior to and following implementation of the plan amendment. It assumes the State receives full disproportionate share allotment to meet federal minimum Medicare requirements:

	<u>Proposed</u> (Rate Including Disproportionate Share)	<u>Current</u>	<u>Change</u>
Acute	\$1,150.23	\$1,151.49	0.1%
IMD	460.52	458.59	(0.2%)
Nursery	159.96	159.96	0%
Psych	412.55	412.76	<0.1%
Rehab	441.15	441.15	0%

(Reference also Department letter of October 29, 1992, regarding State Plan Amendment MS-91-25.)

You also asked that we submit an estimate of the short-term and, to the extent feasible, long-term effect that the change in the estimated average rate will have on the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs. The State finds that in both the short-term and the long-term the estimated average rate will slightly increase the percentage of hospital costs that are covered. This is because the State's proposed plan amendment incorporates the minimum

July 13, 1993  
Page Two

requirements of the Federal Medicare Program (reference page 5a of the amendment), which are, based on the State's estimate, more liberal than the State's current disproportionate share payment methodology. It should also be noted that, depending upon the State's portion of the national disproportionate share pool, disproportionate share payments to hospitals under the proposed plan amendment could increase should the State be entitled to additional allotments.

You also asked that we provide a new assurance that our "aggregate disproportionate share hospital payments do not exceed the disproportionate share hospital payment limits." The State is assuring that it will not exceed the disproportionate share hospital payment limits. The State, however, finds that, based on its estimates, it will exceed its Federal Register stated allotment of \$2.5 million for federal fiscal year 1993. The State finds that it is permitted to exceed the State's aggregate disproportionate share allotment (as published) in order to satisfy minimum payment requirements under 447.296(b)(5). (Reference also 447.298(e)(2)(iv) and (f) special provision.) The State's plan amendment (reference page 5a) utilizes the Medicare methodology described in Section 1923(c)(1) of the Act; therefore, the State finds that the aggregate disproportionate share published allotment must be adjusted upward to meet the minimum payment adjustment.

Please substitute the enclosed pages for those originally submitted and note on Form HCFA-179 that only pages 9 and 10 of Attachment 4.19-A are being changed by this plan amendment.

If you require additional information regarding proposed plan amendment MS-92-14, please contact Robert Seiffert, Medical Services Administrator, at (402) 471-9718.

Sincerely,



Mary Dean Harvey, Director  
Nebraska Department of Social Services

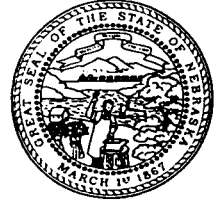
RS:HH3012R

Enclosure

# STATE OF NEBRASKA

## DEPARTMENT OF SOCIAL SERVICES

Dean Harvey



E. Benjamin Nelson  
Governor

December 23, 1991

Mr. Richard P. Brummel  
Associate Regional Administrator for Medicaid  
Health Care Financing Administration  
New Federal Office Building  
601 East 12th Street, Room 235  
Kansas City, MO 64106

RE: State Plan Amendment MS-91-25

Dear Mr. Brummel:

This plan amendment provides for a rate setting methodology for services to hospital inpatients. We are providing required assurances and related information.

PAYMENT RATES-42 CFR 447.253(b)(1)(i):

The Department finds that the rates are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities to provide services in conformance with applicable state and federal laws, regulations, and the quality and safety standards. The Department finds that the rates are reasonable and adequate because the rates are based on each hospital's 1990 cost report increased by a reasonable inflationary amount.

LOW INCOME PATIENTS WITH SPECIAL NEEDS-42 CFR 447.253(b)(1)(ii)(A):

The Department finds that the methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. Pertinent regulations are found at 471 NAC 10-010.03C2 and .03C3.

LOWER LEVEL OF CARE-42 CFR 447.253(b)(1)(ii)(B):

The Department finds that the methods and standards used to determine payment rates provide that reimbursement for hospital patients receiving services at an inappropriate level of care will be made at lower rates consistent with section 1861(v)(1)(G) of the Social Security Act. The basis for this finding lies in 471 NAC 10-010.01, which states that inpatient care must be medically necessary. If care does not appear to meet the definition, it is reviewed. If it is found upon review that the patient requires nursing facility care rather than acute care, payment will be made in accordance with 471 NAC 10-010.03N, Lower Levels of Care, and 10-002.04, Inappropriate Level of Care.

State Plan TN# 91-25 Effective Date 7/1/92  
Supersedes TN# \_\_\_\_\_ Approval Date 3/12/93

December 23, 1991  
Page Two

REASONABLE ACCESS-42 CFR 447.253(b)(1)(ii)(C):

The Department finds that the average payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality. The basis for this finding is:

1. Rates for facilities are increased;
2. No facility has changed the quality and/or quantity of services provided solely as a result of payment rates;
3. No facility went "out of business" or changed its operations significantly solely as a result of payment rates;
4. All providers are allowed to pass through all of their capital-related costs; and
5. All hospitals licensed and certified in Nebraska continue to participate in the Medicaid Program.

UPPER LIMITS-42 CFR 447.253(b)(2):

The Department finds that its average payment rate pays no more in the aggregate for inpatient hospital services than the amount the state estimates is paid for those services under Medicare principles of reimbursement. The Department uses the Medicare final cost report for each facility to determine cost per discharge and to set rates.

PROVIDER APPEALS-42 CFR 447.253(c):

The Department provides an appeal procedure that allows individual providers an opportunity to submit additional evidence and request prompt administrative review of payment rates. Provision is made for this at 471 NAC 10-010.03R, provider appeals.

UNIFORM COST REPORTS-42 CFR 447.253(d):

The plan provides for uniform cost reports by use of Medicare cost report form HCFA-2552 for the same reporting period as that used for Medicare. See 471 NAC 10-010.03A.

AUDIT-42 CFR 447.253(e):

The plan provides for periodic audits of the financial and statistical records of participating providers. The Department has reserved this right for itself under 471 NAC 10-010.03Q, Audit and section 10-010.03P, Access to Records.

PUBLIC NOTICE-42 CFR 447.253(f):

Public notice was given regarding the regulations and this plan amendment. Such notice was published December 14, 1991, in the Lincoln Journal Star and in the Omaha World Herald.

RATES FROM APPROVED PLAN-42 CFR 447.253(g):

The Department pays for inpatient hospital care services using rates determined in accordance with the methods and standards specified in the approved state plan.

State Plan TN# 91-25 Effective Date 7/1/92  
Supersedes TN# \_\_\_\_\_ Approval Date 3/12/93

December 23, 1991  
Page Three

RATES FOR IMPROVED PLAN EFFECTIVE DATE:

The effective date of this plan amendment will be December 15, 1991.

ESTIMATED AVERAGE PROPOSED RATE-42 CFR 447.255(a):

The average rates paid under these regulations are expected to be as follows:

<u>CLASS OF CARE</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>DIFFERENCE</u>
Acute	\$385.99	\$607.54	\$221.55
IMD	163.79	268.05	104.26
Nursery	120.45	180.90	60.45
Psychiatric	352.92	400.72	47.80
Rehabilitation	388.12	426.17	38.05

SHORT TERM AND LONG TERM EFFECT-42 CFR 447.255(b):

It is estimated that the regulations will continue to maintain the availability of services on a statewide and geographic area basis for those who need them.

The new regulations will have no effect on type of care furnished.

The new regulations will help guarantee the continuation of the current high level of provider participation.

The new regulations will have no more of an impact on hospitals that serve a disproportionate number of low income patients with special needs than other hospitals.

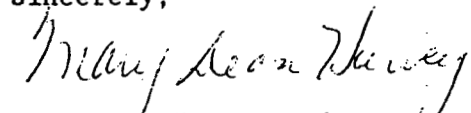
RELATED INFORMATION:

The State estimates that these regulations will pay no more to state-operated facilities in the aggregate for inpatient hospital services than the amount the state estimates would be paid for those services under Medicare principles of reimbursement.

The Department finds that its payment methodology can reasonably be expected not to increase payments, solely as a result of a change in ownership, in excess of the increase which would result from application of section 1861(v)(1)(O) of the Social Security Act. Rates are set using the Medicare cost report, and the reimbursement plan requires depreciation recapture if a facility is sold for profit.

If you have any questions regarding this information, please contact Robert Seiffert at (402) 471-9330.

Sincerely,



Mary Dean Harvey, Director  
Nebraska Department of Social Services

MC:EE1351P

State Plan TN# 91-25 Effective Date 7/1/92  
Supersedes TN# \_\_\_\_\_ Approval Date 3/12/93